



Program Summary

The objective of the \$507 million program is to increase the productive capacity of the population in selected districts of northern Mozambique, with the intended impact of reducing poverty, increasing household income and employment, and reducing chronic malnutrition. The Program seeks to help unlock the economic potential of the north, which is crucial to sustaining Mozambique's growth, by removing key binding constraints to growth and enhancing key water/road sector institutions. Specific interventions include: rural and urban water and sanitation, roads, improved land administration, agriculture, and cross-cutting policy reforms and capacity building initiatives.

Update on Progress

- MCA Mozambique submitted a proposal to MCC on July 1, 2005.
- MCC and the Government of Mozambique (GOM) executed a \$6 million pre-Compact Grant Agreement on September 9, 2005, which was amended on June 16, 2006, to increase the pre-Compact funding to up to \$13.5 million to assist with developing a final program design and implementation framework for the proposed Compact. Implementation of the pre-Compact assistance culminated in the GOM's submitting a revised proposal in December 2006, on which MCC's due diligence was completed in May 2007. On July 13, 2007, the MCC and the Government of Mozambique signed a \$506.9 million Compact in a ceremony witnessed by President Armando Guebuza and Deputy Secretary of State, John Negroponte.
- The Compact was ratified on August 7, 2007, by the Council of Ministers. The Council of Ministers also approved on August 7, 2007, the creation of MCA-Mozambique, a public institution under Mozambican law with distinct legal, administrative and patrimonial autonomy for the implementation of the Compact.
- The MCC Mission Office has officially opened and the Mission staff is on board.
- Recruitment for the Management Unit of the MCA Mozambique is underway and the professional staff is expected to be on board in October.
- The procurements for the Fiscal and Procurement Agents are underway and the contracts are expected to be executed in late November.

Compact Status

Status..... Compact Signed

Compact Information

Compact Amount \$506.9 million

Compact Duration 5 years

Country Information

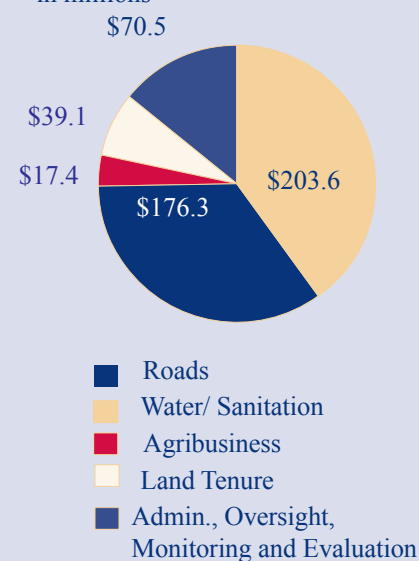
Population 19,792,300

GNI Per Capita \$310*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	5-06-2004
<input checked="" type="checkbox"/> Proposal Receipt	7-01-2005
<input checked="" type="checkbox"/> Opportunity Memo	8-02-2005
<input checked="" type="checkbox"/> Congressional Notification on Compact Negotiations	4-05-2007
<input checked="" type="checkbox"/> Investment Memo	6-06-2007
<input checked="" type="checkbox"/> Board Approval	6-27-2007
<input checked="" type="checkbox"/> Compact Signing	7-13-2007
Entry Into Force	
Initial Disbursement	

Proposed Key Sectors in millions



*World Development Indicators, World Bank, 2005